

Reference Guide 11

What to know **BEFORE** making changes to retiree coverage

Insurance coverage for retired members of the MTRS is not provided by the MTRS; it is a benefit that employers may offer to their retirees and beneficiaries. Most school districts offer continued insurance coverage to their retirees and, by request, the MTRS deducts the retiree's portion of the monthly premium from their retirement allowance and forwards the premium to the retiree's former employer on a monthly basis. Please note that unlike active member health insurance deductions, the IRS requires that retirees' insurance premiums be withheld on an **after-tax** basis.

Employers can now add, change and cancel retiree insurance coverage selections in MyTRS! We recommend that you review this list of helpful hints before making changes to retiree coverage.

Please note:

- 1) **Access to insurance changes via MyTRS is only available for districts not enrolled in the GIC-RMT direct billing program.** The MTRS does not maintain an insurance profile with individualized plans and rates for districts enrolled in the GIC direct billing program; we receive a file from the GIC indicating the monthly deduction amount.
- 2) **New plan options and global rate changes must be entered by the MTRS.** Global premium changes should continue to be e-mailed to the Insurance Updates inbox using the *MTRS Group Rate Premium Change form*, which can be downloaded from our website under Employers > Non-MyTRS employer forms > Reporting retiree insurance changes. The MTRS reserves the right to cancel or change any deduction option in MyTRS.
- 3) **New retirees need to be set up by the MTRS for coverage;** however, they can be modified by employers immediately.
- 4) **All coverage changes are made on a full-month basis.** Partial adjustments are not available to employers.

If you:

- a. Enter a **start** date other than the first of the month, MyTRS will automatically change your start date to the first of the month.

- b. Enter a **stop** date other than the last calendar date of the month, MyTRS will automatically change your stop date to the last calendar date of the month.
- 5) **Insurance deductions are taken a month in advance for retirees** (e.g., January insurance premiums are deducted from a retiree's December pension payment, May insurance premiums are deducted from a retiree's April pension payment, etc.).
- 6) **If you enter new or changed deductions with a backdated coverage effective date, MyTRS will calculate an adjustment bill or refund called a "rebill" based on the entered plan rate and effective date.** If you manually billed or refunded your retiree directly, adjust your effective date accordingly.
- 7) **When entering deductions with retroactive effective dates, check your retiree's calculated adjustment refund or bill immediately under Retiree Insurance Deduction History to verify that the "rebill" amount matches your calculation.** Please note that "rebills" are designed to calculate the difference between the retiree's deductions and what the deduction should have been. You will only see a rebill for months that have already been deducted; the current month's bill will not appear until the warrant day.
- 8) **The MTRS reserves the right to change or cancel any deduction.**
- 9) **Each month there is a cut-off date, generally mid-month, in which MyTRS access is blocked as we compile our warrant for the state treasury.** Entries made after that date will be processed on the following warrant and will not be reflected until the retiree's following check. The MTRS will announce the cutoff date—as well as the date when your post-warrant reports are available for download and review—on your MyTRS home page.
- 10) **If you delete a plan coverage row, MyTRS will automatically create a rebill to refund the associated deductions. Only delete a plan coverage row if you need to:**
 - a. replace the existing row with a different plan (with the same start date) or
 - b. remove that plan coverage row completely (as in the case of a cancellation or a deduction added accidentally).
- 11) **When making a change to an account for a member with more than one medical plan, please pay special attention to which section you are updating** (Med 1, Med 2 or Med 3). The sections do not correspond to a retiree or their spouse/dependents.

- 12) **If you click the Home icon on any of the first four enrollment screens BEFORE confirming on the last step, your change will NOT be saved.** Every enrollment process, even cancelling, must go through all 5 screens/steps.
- 13) **When making a retroactive change, please be conscious of whether the plan you are adding has recently had any changes** (e.g., the premium rate has recently decreased or increased). If your individual change coincides with a premium change, you may have to go through the change process twice, once for the period at the old rate and again to begin collecting at the new rate.
- 14) **Clicking the tabs on each enrollment screen will not take you to that page—you must hit NEXT or PREVIOUS to switch pages.**

If you have any questions regarding a retiree's coverage or using MyTRS, please contact your assigned Employer Services Representative, the Employer Services Unit at 617-679-6895, or e-mail us at insuranceupdates@trb.state.ma.us.